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AMENDMENTS TO THE SPECIFICATION

Please amend the specification as shown below.

Please replace the paragraph beginning on page 2, line 20, and continuing on page 3 with the following amended paragraph:

The MPEG2 is directed to high picture quality coding suitable principally for broadcasting, but is not ready for a coding system of a bit rate lower than, that is, of a compression ratio higher than, that of the MPEG1. However, from popularization of portable terminals, it has been expected that the need for a coding system of a higher compression ratio [increase] increases in the future. Therefore, the MPEG4 coding system has been standardized, and the image coding system of the MPEG4 was approved as international standards of the ISO/IEC 14496-2 in December 1998.

Please replace the paragraph beginning on page 4, line 18, with the following amended paragraph:

The MPEG2 image information decoding section 112 executes processing similar to that of an ordinary MPEG2 image information decoding section. However, since data regarding B pictures are discarded by the picture type discrimination section 111, [only] it is only required for the MPEG2 image information decoding section 112 to have a function of decoding only I/P pictures.

Please replace the paragraph beginning on page 8, line 18, and continuing on page 9, with the following amended paragraph:

Referring to FIG. 6, first in step S101, the MPEG4 image information coding section 115 distributes an allocation bit amount for each picture in a GOP in accordance with a bit amount (hereinafter represented by R) to be allocated to those pictures which are not decoded

as yet including allocation object pictures. This distribution is repeated in order of coded pictures in the GOP. In this instance, the code amount allocation to each picture is performed based on the following two assumptions.